

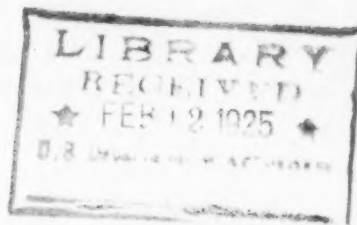
THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS,
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MIDWINTER

Midwinter means a lull over much of the country. The barns and feed lots are principal centers of activity. Through the North and East, the business of filling ice houses and getting out wood is going forward. The North is hidden under a 3,000-mile-wide blanket of snow, while down in the Gulf country, in the Southwest, and in California, men are fitting the land and even cultivating early crops -- reminders of the bigness and diversity of this country.

The general price level is now inclined to rise. Urban industry is increasing its activity. There still seems to be life in the building boom, and the railroads are continuing heavy buyers of materials. While this gives little promise of reduction in the prices of manufactured articles which farmers buy, it may offer some reassurance as to the market for farm products.

The surface developments which attract most present attention are in the grain markets. Wheat prices are doing what disregarded prophets said they would do. Just as a world surplus is a load that producers stagger under, so an actual world-wide shortage puts a stupendous pressure back of demand. Corn prices are the product of a similar situation, only it is domestic rather than world-wide. In neither case are present prices much index to conditions next fall.

The region now undergoing the most basic readjustment in production is the Corn Belt. A corn crop short by half a billion bushels and a reduction in last year's total pig crop of 19 per cent, with around 20 per cent still fewer sows to farrow this spring than last spring, make up an exceedingly drastic combination. It will show some decided effects before another year. The general tendency this spring will be to raise more corn and fewer pigs. But some far-sighted men who are favorably situated will be doing the opposite.

KEY REGIONS AT A GLANCE

THE EAST - For the most part, in the grip of winter and busy with ice harvest, wood cutting, and the routine of barn work. Prices of potatoes have advanced slightly and cabbage markedly. General movement to market is very slack due to bad roads and weather. Some interesting developments are evident in the dairy situation, with apparently promise of improvement rather than otherwise.

THE SOUTH - Had a very rainy month, with devastating floods in Georgia and portions of the southeast. Some damage to winter truck from cold waves. Field work going forward where land has dried out sufficiently, but plowing is generally backward. Cotton crop now practically all ginned and counted - running 13-1/3 million bales total crop.

CORN BELT Experiencing alternate cold, thaws, and snowstorms. Barns and feed lots are the centers of activity. Reported about 18 per cent fewer cattle and 4 per cent fewer sheep and lambs on feed than last year. Winter grains have had to contend with some severe temperatures and ice storms.

WHEAT BELT - Grain getting the usual winter exposure to freezing and thaws. Ice sheet in Missouri finally relieved by thaws and snow. Wheat is dormant north of Oklahoma and it remains to be seen how greatly the freezes have damaged those areas not snow covered. Practically certain that many fields will have to be reseeded in the far northwest.

RANGE COUNTRY - Thaws toward the close of last month opened considerable range through the northwest, but feeding is necessary in many areas throughout the mountain territory. The sheep ranges in northeastern Nevada are under heavy snows but conditions are more favorable in Idaho. Lambing is in progress in the south and begun in north. The general livestock situation is difficult on the range end.

PACIFIC COAST - Field work is going forward for early crops. Grain and truck crops doing well, though California still needs soaking rains. Pruning is the order of the day in deciduous orchards. Citrus fruit developing well in the south; almond buds opening; sugar beets being planted; Cantaloupes have already been planted in the Imperial Valley.

TREND OF LIVESTOCK PRODUCTION

The following shows the number of farm animals in the United States according to the estimate made as of January 1 each year. (Issued January 28, 1925, by Crop Reporting Board.)

Figures given in terms of thousands, last three ciphers being omitted:

	<u>1920</u>	<u>1921</u>	<u>1922</u>	<u>1923</u>	<u>1924</u>	<u>1925</u>
Horses	19,766	19,208	19,056	18,627	18,059	17,589
Mules	5,427	5,455	5,467	5,485	5,446	5,411
Milk cows	23,722	23,594	24,082	24,437	24,786	25,319
Other cattle	43,398	41,993	41,977	42,803	41,720	39,609
Sheep	39,025	37,452	36,327	37,223	38,300	39,134
Swine	59,344	56,097	58,327	68,427	66,130	54,234

Horses have been slowly decreasing in number for several years. Milk cows increased slightly last year; other cattle decreased slightly; sheep increased slightly; swine decreased most of all.

AVERAGE PRICES, AT THE FARM, OF REPRESENTATIVE PRODUCTS
Month Ending January 1, 1925.

Actual prices received at the farm by producers. Average of reports covering the United States, weighted according to relative importance of county and State. Figures compiled by Division of Crop and Livestock Estimates of this Bureau. Quotations in dollars or cents.

Shows 1913, year ago, and latest available months.

	Dec. <u>1913</u>	Dec. <u>1923</u>	Nov. <u>1924</u>	Dec. <u>1924</u>
Cotton, per lb.	¢ 12.0	32.1	22.5	22.0
Corn, per bu.	¢ 69.4	72.2	99.6	105.6
Wheat, per bu.	¢ 80.4	94.5	133.6	141.1
Hay, per ton	\$ 12.06	13.15	12.83	12.69
Potatoes, per bu.	¢ 68.5	81.5	63.5	64.1
Oats, per bu.	¢ 39.2	42.6	47.4	50.6
Apples, per bu.	¢ 103.6	114.0	119.5	128.2
Beef cattle, per 100 lbs.	\$ 5.96	5.26	5.43	5.35
Hogs, per 100 lbs.	\$ 7.16	6.39	8.62	8.39
Eggs, per dozen	¢ 32.9	45.5	45.8	49.9
Butter, per lb.	¢ 29.2	45.8	39.3	41.8
Wool, per lb.	¢ 16.1	36.2	40.1	42.2
Veal calves, per 100 lbs.	\$ 7.74	7.75	7.89	7.84
Lambs, per 100 lbs.	\$ 5.85	10.10	10.55	10.96

The December price situation was encouraging to producers of sheep, wheat, and corn. It was discouraging to producers of potatoes, and beef cattle.

Prices of the moment are, however, less significant as a guide to production than is the probable trend of future prices. Viewed from the standpoint of probable price trends, it is a question whether the situation now favors very sharp expansion of grain or cotton, or very sharp curtailment of potatoes, hogs, or beef cattle.

PRICE INDEXES FOR MONTH ENDING JANUARY 1, 1925.

1913 = 100

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics, (latter shown to nearest whole number). Shows year ago, and latest available months:

Farm Products

(Prices at the farm)

	<u>Dec.</u> <u>1923</u>	<u>Nov.</u> <u>1924</u>	<u>Dec.</u> <u>1924</u>	<u>Month</u> <u>Trend</u>
Cotton	259	182	177	Lower
Corn	122	168	178	Higher
Wheat	121	171	180	Higher
Hay	120	117	115	Lower
Potatoes	127	99	100	Higher
Beef cattle	89	92	91	Lower
Hogs	85	115	112	Lower
Eggs	236	237	258	Higher
Butter	170	146	155	Higher
Wool	217	240	253	Higher

Commodity Groups

(Wholesale Prices)

	<u>Dec.</u> <u>1923</u>	<u>Nov.</u> <u>1924</u>	<u>Dec.</u> <u>1924</u>	<u>Month</u> <u>Trend</u>
Farm products	145	149	157	Higher
Food, etc.	147	154	158	Higher
Cloths & clothing	203	190	191	Higher
Fuel & lighting	162	163	165	Higher
Metal & met. products	142	129	133	Higher
Bldg. materials	178	172	175	Higher
Chemicals, etc.	130	134	135	Higher
House-furnishing goods	176	172	172	Unchanged
<u>ALL COMMODITIES</u>	151	153	157	<u>HIGHER</u>

RELATIVE PURCHASING POWER
(At December 1924 Farm Prices)

1913 = 100

<u>In terms of</u>	<u>Of a Unit of:</u>				
	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All commodities	113	117	115	73	64
Cloths, etc.	93	96	94	60	52
Fuel, etc.	107	111	109	70	61
Metals, etc.	133	138	135	86	75
Bldg. Materials	101	105	103	66	57
House-furnishing goods	103	107	105	67	58

	<u>Beef Cattle</u>	<u>Swine</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	58	71	164	99	161
Cloths, etc.	48	59	135	81	132
Fuel, etc.	55	68	156	94	153
Metals, etc.	68	84	194	116	190
Bldg. materials	52	64	147	89	145
House-Furnishing goods	53	65	150	90	147

The South and the West are favorably represented in this table by cotton, wheat, and wool. All are in positions of sufficient price advantage to presumably stimulate their production. The same is true of corn though the shortage of crop prevents the Corn Belt from realizing on the actual plane of purchasing power here indicated. Eggs are high as a seasonal movement. Meat animals still suffer serious disadvantage relative to the grains on which they are fed.

The general index of purchasing power of farm products (based upon the year 1913 as 100) fell one point in December, standing at 88. In other words, prices of non-agricultural commodities rose more during the month than did farm products.

COLD STORAGE SITUATION

January 1 holdings (Shows nearest million, six figures omitted:)

<u>Commodity</u>	<u>5-Year Average</u>	<u>Year Ago</u>	<u>Month Ago</u>	<u>Jan. 1, 1925.</u>
Creamery butter, lbs.	44	30	101	66
American cheese, lbs.	40	50	59	49
Case eggs, cases	1	2	3	1
Total poultry, lbs.	93	93	88	134
Total beef, lbs.	150	106	100	143
Total pork, lbs.	565	709	428	643
Lard, lbs.	54	49	36	60
Lamb & Mutton, lbs.	18.3	2.5	3.3	2.9
Total meats, lbs.	811	900	598	881
Apples, bbls.	3.4	4.5	3.7	3.2

Summing up the cold storage situation in few words, the country drew, as usual, upon its stored supplies of butter and eggs during December, but a vast quantity of cheap pork was put into the cellars.

Compared with the average situation this date, stocks are very low in case of lamb, rather low on beef, average on eggs and apples, high in case of butter, cheese, poultry,

Perhaps the most significant thing in the storage situation is the heavy in-movement of pork products - indicating that the buyers have faith in a higher price level for pork by and by.

GENERAL TREND OF WAGES AND PRICES

1913 = 100

Year and Month	General Wage Level	Farm Wages	Retail Price of Food	Wholesale Price of Food	Wholesale Price All Commodities
	N.Y. factory workers (1914=100)	(Monthly without board)	Dept. of Labor	Dept. of Labor	Dept. of Labor
1913	---	100	100	100	100
1914	100	99	102	102	98
1915	103	99	101	105	101
1916	116	108	114	121	127
1917	131	133	146	167	177
1918	188	161	168	188	194
1919	188	186	186	207	206
1920	226	214	203	220	226
1921	206	143	153	144	147
1922	201	138	142	138	149
1923	218	155	146	144	154
1924	222	---	146	144	150
<u>1923</u>					
January	210	133	144	141	156
February	207	---	142	141	157
March	216	---	142	143	159
April	216	147	143	144	159
May	221	---	143	144	156
June	223	---	144	142	153
July	221	159	147	141	151
August	217	---	146	142	150
September	220	---	149	147	154
October	222	161	150	148	153
November	221	---	151	148	152
December	224	---	150	147	151
<u>1924</u>					
January	223	151	149	143	151
February	222	---	147	143	152
March	226	153	144	141	150
April	222	157	141	137	148
May	217	---	141	137	147
June	218	---	142	136	145
July	217	159	143	139	147
August	220	---	144	144	150
September	225	---	147	148	149
October	221	160	149	152	152
November	222	---	150	154	153
December	226	---	152	158	157

GENERAL TREND OF PRICES
1913 = 100

Year and month	Farm Price Crops 15th of month	Farm Price Livestock 15th of month	Farm Price of 30 Farm Products**	Wholesale price of Non-Agrl. Commodities*	Purchasing Power of Farm Products#
1913	100	100	100	100	100
1914	108	103	102	94	109
1915	110	95	100	97	103
1916	124	111	117	132	89
1917	208	164	176	176	100
1918	224	192	200	186	108
1919	234	198	209	195	107
1920	238	168	205	234	88
1921	109	107	116	161	72
1922	113	111	124	163	76
1923	136	103	135	167	81
1924	148	106	134	157	86
<u>1923</u>					
January	126	106	134	170	79
February	130	107	136	172	79
March	134	106	136	175	78
April	139	107	137	176	78
May	140	105	135	172	79
June	139	100	133	168	79
July	136	102	130	165	79
August	136	102	128	163	79
September	138	109	132	164	81
October	139	103	134	161	83
November	137	97	136	160	85
December	137	94	137	158	87
<u>1924</u>					
January	140	97	137	160	86
February	141	98	136	162	84
March	138	100	131	161	81
April	140	102	130	159	82
May	139	103	129	157	82
June	142	102	130	155	84
July	155	101	132	154	86
August	163	114	139	154	90
September	154	113	132	153	87
October	157	120	138	153	90
November	151	113	137	154	89
December	156	110	139	157	88

* Department of Labor "All Commodities", excluding farm products and food.

Farm product index divided by index of non-agricultural commodities, revised on basis of new farm price index.

**This is the new price index worked out by this Bureau.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1921 Total	435,606	340,908	41,040	19,764	24,168	472,011
1922 "	413,106	378,598	44,067	23,218	22,364	530,601
1923 Jan.	38,002	37,526	5,306	1,876	1,636	40,613
" Feb.	21,533	31,901	4,492	1,427	1,366	33,839
" Mar.	22,081	24,710	4,928	1,502	1,430	41,575
" Apr.	21,785	16,836	4,318	1,670	1,447	40,825
" May	17,457	10,809	4,524	1,900	1,794	54,617
" June	18,217	14,610	4,204	1,629	1,426	76,403
" July	36,435	18,515	4,181	1,903	1,661	64,086
" Aug.	63,012	20,845	3,714	2,214	1,800	47,831
" Sept.	44,196	18,355	3,607	2,295	2,659	41,907
" Oct.	38,380	16,541	4,816	2,802	3,465	38,558
" Nov.	36,576	23,280	5,416	2,182	1,816	33,774
" Dec.	28,756	37,930	5,825	1,810	1,526	35,179
" 12 mos.	386,430	271,858	55,330	23,211	22,025	549,207
1924 Jan.	15,548	30,594	6,253	1,888	1,697	37,689
" Feb.	20,165	44,689	5,335	1,457	1,412	40,474
" Mar.	17,434	29,405	4,833	1,556	1,367	44,371
" Apr.	10,374	17,926	4,374	1,751	1,348	43,970
" May	16,039	15,988	4,321	1,890	1,344	57,462
" June	16,877	17,392	4,296	1,673	1,550	77,891
" July	39,911	18,453	4,091	1,798	1,672	78,089
" Aug.	88,461	18,841	3,196	1,934	2,005	57,624
" Sept.	81,183	22,084	3,216	2,566	3,027	47,760
" Oct.	84,858	18,877	3,990	2,737	3,295	42,220
" Nov.	58,081	15,231	4,904	2,363	1,879	30,417
" Dec.	33,076	29,239	6,604	2,083	1,605	33,471
" 12 mos.	482,007	278,719	55,414	23,695	22,201	591,439

Market movement of wheat showed up in December from previous month but continued well above last year. Small corn movement reflecting the poor crop.

Hog movement reflects the corn shortage; broke the daily record in December. Cattle movement indicates continued liquidation. Butter somewhat below last year.

THE TREND OF EXPORT MOVEMENT

Compiled from Department of Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT including flour	TOBACCO (Leaf)	BACON HAMS AND SHOULDERS	LARD	TOTAL* MEATS	COTTON# running bales
	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1923 January	12,519	41,309	74,432	107,786	86,938	474
" February	12,197	24,380	64,488	89,056	75,023	360
" March	10,725	31,688	66,441	109,187	75,933	318
" April	10,195	40,141	68,528	85,475	77,963	260
" May	14,396	28,421	64,608	93,199	72,606	160
" June	12,881	49,730	59,473	64,605	68,799	215
" July	12,822	44,105	64,264	69,479	74,127	172
" August	19,929	33,480	69,194	83,758	80,112	244
" September	22,465	37,646	76,911	83,630	88,833	689
" October	18,652	44,949	72,341	76,378	83,183	774
" November	12,147	49,381	71,947	74,251	85,069	767
" December	13,000	49,270	76,263	98,578	89,887	846
" 12 months	171,928	474,500	828,890	1,035,382	958,473	5,279
1924 January	12,143	47,579	79,067	132,758	90,430	547
" February	10,019	38,414	81,108	99,910	90,462	482
" March	9,374	61,172	66,694	100,726	74,464	332
" April	8,416	59,019	57,546	73,307	64,474	321
" May	7,206	39,660	45,584	62,648	51,427	326
" June	10,257	52,614	44,145	59,475	49,807	231
" July	7,600	32,520	53,769	86,788	60,406	211
" August	21,106	33,410	52,367	75,937	60,180	278
" September	39,244	37,245	43,117	65,810	50,088	737
" October	53,463	56,227	45,365	60,813	52,820	947
" November	35,102	44,229	35,430	49,120	42,395	1,307
" December	24,326	44,168	33,788	76,803	43,114	1,076
" 12 months	238,256	546,257	637,980	944,095	730,067	6,796

The 1924 story of exports revealed more cotton and much more wheat, but markedly less pork sold abroad than the previous year.

* Includes fresh, canned and pickled beef, bacon, hams and shoulders; fresh, canned, and pickled pork; mutton and lamb.

Includes linters.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	1923 Dec.	1924 Nov.	1924 Dec.	Month's Trend
PRODUCTION				
Pig iron daily (Thou. tons)	94	84	96	Increase
Bituminous coal (Millions tons)	41	41	46	Increase
Automobiles shipped (Thou. carloads)	36	27	32	Increase
CONSUMPTION				
Cotton by mills (Thou. bales)	464	492	532	Increase
Unfilled orders Steel Corp. (Thou. T.)	4,445	4,032	4,817	Increase
Building contracts (Millions dollars)	268	341	283	Decrease
Hogs slaughtered (Thousands)	3,919	3,132	4,335	Increase
Cattle " "	1,018	1,268	1,265	Decrease
Sheep " "	837	775	854	Increase
MOVEMENTS				
Bank clearings (N.Y.) (Billions dollars)	19	22	26	Increase
Car loadings (Thousands)	4,141	4,094	4,350	Increase
Mail order sales (Millions dollars)	36	40	46	Increase
Men employed, N. Y. State Factories (Thou.)	541	495	499	Increase
Av. price 25 indus. stocks (Dollars)	109	124	134	Increase
Interest rate (60-90 day Paper)	4.97	3.25	3.56	Increase
Retail Food Price Index (Dept. Labor)	150	150	152	Higher
Wholesale Price Index (Dept. Labor)	151	153	157	Higher

There are no very spectacular developments in the business situation, one way or the other. Whether the recent boom in the stock market has foreshadowed a period of marked business activity this summer remains to be seen. The price level is rising. The trend in interest rates is likewise upward, though they are still relatively low. The weight of opinion seems to hold that the outlook is good for general production and trade and that urban industry will go through the fore part of the year, at least, under conditions of marked prosperity.

That view is evidently shared by the interests which buy agricultural products for forward consumption. The market for hogs, butter and certain other products going into storage has held up fairly well in the face of heavy supplies.

THE DAIRY SITUATION

Division of Dairy and Poultry Products, B. A. E.

The factor of greatest concern in dairy markets as January comes to a close is the butter situation. The unsettled feeling which marked the latter part of December continued throughout the whole of January also, with the result that sharp declines occurred, the month closing 5 to 7 cents under what it opened. Wholesale markets generally seem to have felt the strain of excessive supplies of butter, both fresh and storage, which despite price reductions have been moved with difficulty. As a further influence in moulding market sentiment, fairly good sized shipments of New Zealand butter were unloaded at two eastern ports late in the month. Asking prices made it impossible for this butter to enter immediately into trade channels and it was placed in bonded warehouses, but its arrival was of more than passing interest. At the same time, offerings of Siberian butter in sizeable quantities were also made, these however, not attracting so much attention because of doubtful quality.

The domestic price situation has so far remained in favor of American butter, price differentials between domestic and foreign markets ruling against imports. Any price change which would permit imports would also be of influence in further retarding the movement of butter from cold storage, which already has slowed up. On the four principal markets, for example, the average daily out-of-storage movement in December was 710,000 lbs., and in January this dropped to 450,000 lbs. So long as the December rate kept up there was the possibility of the big storage surplus being cleaned up before the opening of the new season, but the slowing up of the outward movement changes this outlook. The development of any material import business is therefore likely to have a depressing influence on prices, unless of course, an unusual consumptive demand should occur.

Receipts of butter at wholesale markets during December were not quite so heavy as in December, 1923, although there was a much larger increase over November receipts than usually occurs. January receipts are running about the same as last year. These comparisons are significant in that receipts on markets may properly be accepted as an index of production.

In striking contrasts to the butter situation are conditions in the condensed milk and cheese markets. Condensed milk is in an even more favorable position than a month ago. There were heavy reductions in stocks during December, and distributors are still optimistic in that more active trading is expected during the next month or so. Total stocks in manufacturers' hands on January 1 were 117,725,000 lbs., which when compared with July 1 stocks of 283,458,000 lbs., and January 1 stocks of a year ago amounting to 191,312,000 lbs., will indicate the change which has been gradually taking place. Cheese markets have also maintained a relatively strong position. Storage stocks on January 1 were down to the same level as last year on that date, despite the fact that during preceding months there were surpluses right along. This change and the current movement makes the immediate outlook for cheese quite satisfactory.

THE DAIRY SITUATION

(Thousands pounds, 000 omitted)

Stocks on hand - January 1.

Year	Cold storage.		In Manufacturers' Hands		
	Butter	Cheese	Cond. & Evap.	Milk	Milk Powder.
1925	65,657	67,590	117,725		8,123
1924	30,299	67,221	191,312		8,664
Increase +	35,358	+ 369	+ 73,587		- 541
	+ 116.7%	+ 0.5%	- 38.5%		- 6.25%
5 year aver. +	50.6%	+ 25.2%	- 25.5%		---

Receipts January 1 to December 31

Year.	Butter 4 Markets.	American Cheese Wisconsin Markets.	Month of November Butter (4 markets)
1924	565,029	270,710	31,369
1923	523,696	256,302	33,237
Increase	+41,333 + 7.9%	+14,408 + 5.6%	Decrease - 1,868 - 5.6%

Net Imports or Exports - December

Year	Butter	Cheese	Cond., Evap. and Powdered milk.
1924	279 Im.	4,984 Im.	10,811 Ex.
1923	2,616 Im.	6,963 Im.	28,413 Ex.
	- 2,337 Im.	- 1,979 Im.	- 17,602 Ex.

BUTTER SUMMARY

	1924.	1923.	1924 Inc.	% Inc.
In storage Jan 1, 1924	30,299	26,941	+3,358	12.5
Production 12 months, farm & factory - - -	1,954,383	1,862,214	+92,169	4.9
Net imports - - - - -	11,148	17,896	- 6,748	- 37.7
TOTAL- - - - -	1,995,830	1,907,051		
In storage Jan. 1, 1925	65,657 (1924)	30,299	+35,358	+116.7
Apparent consumption, for 12 months - - -	1,930,173	1,876,752	+53,421	+ 2.8
Av. consumption per mo.	160,848	156,396	4,452	+ 2.8
Appar. consumption Dec.	146,346	139,703	+ 6,643	+ 4.8

THE POULTRY AND EGG SITUATION

Division of Dairy and Poultry Products, B. A. E.

The poultry disease epidemic continues to be troublesome to the poultry trade. Embargoes are in effect in a number of States against the movement of live poultry from certain other sections and this has interfered seriously with the free movement of live poultry. Much misunderstanding has arisen as to the nature of the trouble but the situation is gradually clarifying and it is probable that embargoes will be lifted or modified in the near future and the movement will return to a more normal basis.

In the meantime the publicity given this matter has resulted in a falling off in demand for dressed as well as live poultry and this, together with the heavy movement of dressed poultry during the last few months, has resulted in an accumulation of storage stocks to the greatest total ever recorded. The increase in stocks of all classes of dressed poultry except broilers during December was heavy, especially turkeys which nearly doubled. In spite of this situation dressed poultry prices have been well maintained in the terminal markets although prices to producers at country points in some sections have declined materially.

Fresh eggs have begun to come forward more liberally although receipts are still below last year. As a result there has been some seasonal decline in fresh egg prices which are however still well above the level of a year ago. For the next few weeks weather conditions may be expected to play an important part in determining the rapidity with which egg receipts increase and consequently the further seasonal decline in price.

The movement of eggs out of storage during December was very satisfactory being more nearly on a parity with December, 1923, than was generally anticipated, and the new year opened with storage stocks well below those of last year and slightly below the five-year average. As was to be expected under these conditions the price of refrigerator eggs advanced throughout December and is being well maintained in January at a level some 15 cents above last year. The storage egg season is so near its close that nothing can now occur which will prevent it from going down in trade history as a highly profitable season to those who had eggs in the warehouses.

POULTRY AND EGG SITUATION.
(Thousands,000 omitted)

Stocks in Storage - January 1 - United States

Year.	Shell eggs (Cases)	Frozen eggs (Pounds)	Dressed poultry (Pounds)
1925	1,059	21,149	133,589
1924	1,927	32,087	93,675
Inc. or dec.	- 868	-10,938	+39,914
%Inc. or dec.	- 45%	-34.1%	+42.6%
% 1924 over, 5-yr. av.	- 12.8%	-12.4%	+44.0%

Imports and Exports of Poultry and Eggs Jan. 1, 1924 to Jan. 1, 1925

	Imports		Exports	
	1924	1923	1924	1923
Shell eggs (dozens)	383	412	28,117	30,659
Dried,frozen,etc. (Lbs.)	15,958	16,253	505	328
Live poultry (Lbs.)	1,779	1,249	807	543
Dressed poultry (Lbs.)	2,160	2,183	3,996	5,722

Receipts and Apparent Trade Output at Four Markets - Eggs (Cases).

Year	D E C E M B E R			JANUARY 1 - DECEMBER 31		
	Receipts	Net storage movement	Apparent trade output	Receipts	Net stor. movement	Apparent trade output
1924	471	- 916	1,387	14,645	- 470	15,115
1923	526	- 931	1,457	15,838	+ 271	15,567
Inc. or dec.	- 55	- 15	- 70	- 1,193		- 45
% Inc. or dec.	- 10.4%	- 1.6%	- 4.8%	-7.5%		- 2

Receipts and Apparent Trade Output at Four Markets - Dressed Poultry (Lbs.)

Year	D E C E M B E R			JANUARY 1 - DECEMBER 31		
	Receipts	Net storage movement	Apparent trade output	Receipts	Net stor. movement	Apparent trade output
1924	78,068	+33,137	44,931	356,732	+27,795	328,937
1923	73,100	+21,221	51,879	334,845	-3,259	338,104
Inc. or dec.	+4,968	+11,916	-6,948	+21,887		- 9,167
% Inc. or dec.	+ 6.8%	+56.1%	- 13.3%	+6.5%		- 2

THE SITUATION IN VARIOUS KEY STATES

(From Reports of State Statisticians of this Bureau)

IOWA - Many individual farmers of Iowa are still insistent that there is no justification for any optimistic feeling concerning farm conditions. It is very true that the seriousness of the farm situation in some sections of Iowa is not to be passed over lightly. Wherever the corn crop was the poorest the burden is felt the most, although the better price for corn has brought some hope.

The fact that there have been three bank failures in the city of Des Moines in the past two months and that several smaller banks over the State have turned the keys in their doors and possibly more bank closings before the winter is over, is not indicative of another or further plunge into financial complications for the State. We must acknowledge the depression upon a community when a bank closes its doors but it should be borne in mind that failures at the present time are not due to current conditions. They are the result of financial overburdening in the past. Scores of individual farmers have been carried along for months in the hope that the combination of good crops and good prices would bring about a substantial bearing. But these scores have been unable to liquidate their obligations and at last the banks have been forced to the final issue.

Delegates of farm organizations from every county of the State met in Des Moines recently in annual convention. The sentiment of economy was voiced by these delegates as being the strongest thread in future plans. These Iowa farmers are taking the lead in urging economy in legislative action this winter. It is certain that no burdensome bond issues for any public improvement will be sanctioned by these men who are endeavoring to bring thrift back into style. The handwriting on the wall has burned so deeply into our hearts that many are getting ready for days of prosperity. There is, therefore, some justification for the optimistic feeling now.

Dealers in agricultural implements have noted an improvement in sales during 1924 but their output has been considerably below what they believe should have been normal for the year.

It is a difficult matter to tell the true situation relative to hog breeding operations in Iowa. In some counties, drastic reductions in the number of sows bred for spring farrowing are certain. Other counties show conservative reductions. Approximately one-third of the counties will very likely show actual increases when the reports of next spring are available. Total hog marketings from Iowa in 1923, reported as 13,049,000 head were exceeded in 1924, the total marketings reaching approximately 13,400,000 head. Conditions unfavorable to hog production caused an unprecedented December marketing of hogs. The reduction of breeding sows is reflected through these heavy marketings, but at the same time the situation may even be a forerunner of increased breeding by farmers as well as breeders who study closely the spring and fall pig surveys, total marketing and slaughter reports, and who weigh these evidences against their future operations. -- Leslie M. Carl.

WISCONSIN - The income from the dairy was materially lower in 1924 than 1923. Prices received for butterfat or milk on a whole milk basis averaged \$1.73 per hundred pounds last year or 34 cents less than the 1923 price of \$2.07. This reduction of 16 per cent in price was partly offset by a heavy flow of milk during the summer and fall months due to good pastures.

At the present times cheese prices have reached encouraging levels, but butter prices continue low.

Hay and grain supplies are, for the most part, satisfactory. Some hay will be carried over for another year in many districts. The effect of an extremely poor corn crop with but little ripe corn to feed is a weak spot in the feed situation and especially handicaps those farmers in southwestern Wisconsin relying upon hog sales for an important part of their income.

There has been little eagerness on the part of farmers to sell their potatoes at current low prices and the carlot movement out of the State has, accordingly, been slow.

Good prices and unusually big yields of rye and beans have been very helpful to farmers on the sandy areas of Central Wisconsin. -- Paul O. Nyhus.

TEXAS - Low temperatures have prevailed during most of the month and rain and showers have fallen over scattered localities. Many sections are still too dry for the winter grains and for effective preparation of the soil for spring planting. There are many instances of loss of wheat, oats, and barley from winter killing the late sown stands and those on light soils having suffered most. Fall sown alfalfa has survived only where conditions were very favorable. The peak of shipments of grain sorghums has been passed. Due to the shortage of corn and other feed, prices for both heads and threshed sorghums were very good. Bad weather interfered with bringing in the last of the cotton crop yet ginnings have been heavy for the period. Much cotton is still being held in the country.

More rain is needed on the ranging particularly over the west half of the state. Somewhat more hopefulness is being felt in the cattle industry and it is thought that liquidation has practically reached its end. Hog shortage is very noticeable, probably 75 per cent of the hogs for slaughter at large centers coming from other States. Horses and mules at markets are in poor demand with prices low. Apparently purchases are being postponed to the last possible date owing to the scarcity of feed. -- H. H. Schutz.

FARM BUSINESS FACTS ESSENTIAL TO SUCCESSFUL FARM MANAGEMENT

H. M. Dixon, Extension Economist

The use of improved farm business analysis methods is the farmer's most effective means of locating the strong and weak points in his business and making effective changes. This is becoming better understood since the Extension Service in many counties in most of the States has been making the simple farm account book available to farmers for a sufficient period of years to now have farmers keeping and using it as a basis of making improvements. In other words, there is now available the experience of many farmers in keeping and analyzing their farm accounts in comparable fashion that previously was not available. That even greater emphasis could well be given at this time to the assistance of farmers in keeping and analyzing farm accounts can hardly be questioned. Most States reported an increased demand in 1924 over that of 1923 for account books. While it is neither advisable nor practical to follow up all the books distributed, there is no question that many more farmers are acquiring the practice of keeping track of the business than was the practice a few years ago. There are many reasons back of this change in viewpoint and practice. Three important reasons why present day farming to be successful requires a careful study of the business are apparent and could be emphasized:

1. The development of farming from the more self-sufficing type of some years ago to a more commercialized type of business. This has resulted in a larger business turnover - more money taken in and more money paid out in operating the farm. The keeping track of these transactions, therefore, has become more important.
2. The period of agricultural depression. This has made necessary a shifting by many farmers to an economy program. Reducing expenses, the saving of labor, better organized and planned business procedure, more living from the farm, etc., have been important considerations recently and encourage more thorough farm business analysis.
3. Increased efficiency of the farming business. Comparing 1910 with 1920, the crop acres worked per agricultural worker in the United States increased from 24.6 acres to 32.6 acres. In 1920, there were 2.4 horses used per worker as against 1.9 horses in 1910, and \$4.48 worth of machinery used per acre of crops as against \$6.43 in 1920. Both of these machinery figures were adjusted to a common price level. The increase in agricultural production through this period amounted to 18 per cent and was accomplished by added efficiency and not by increase in the number of agricultural workers.

Farm accounts should continue to represent an important part of any county farm management extension program, and as the work becomes more established less emphasis can be placed on the method of farm accounting and more on the farm business facts available through the analysis of the accounts.

There are, however, other phases of the farm management extension program that warrant increased attention at this time. While the farmer needs standards available of good farm organization and operation practice, he likewise needs and is interested in obtaining timely economic information as a basis of sound judgment in the best possible adjustment of his production to probable demand. Discussions of prices and related data giving long-time trends and the principles back of price variations are being given much emphasis in the program. More recently, timely meetings have been held giving the facts regarding the situation of a single enterprise. An example of the type of information and method of presentation of material dealing with the hog situation made available this past fall through the Ohio State and county Extension Service is shown in the following outline. R. F. Taber, farm management demonstrator, with the aid of the Department of Rural Economics, prepared a rather complete outline of material for use of county agents from which this outline was briefed. A leaflet entitled "Facts Worth Knowing about Hog Prices" was made available to farmers at these meetings. These meetings as the outline indicates, were intended to give the farmer a careful analysis of facts as a basis for sound judgment in conducting his hog enterprise. Many of the county agents took an active part in the presentation of these facts.

THE HOG SITUATION

(Know all the facts, then go ahead)

1. Hog production, 1923-1924:
 - 64% more hogs marketed in 1923 than 5-year pre-war average,
 - 1924 marketings exceeded 1923 5% until late months,
 - Heavy overproduction has kept prices low since 1920,
 - Relation between production and price -
 - 4-year hog price cycle 20 months of declining prices -
 - 20 months of ascending prices,
 - Hog prices started a decline, 1922,
 - Seasonal hog prices and supply.
2. Relation of corn production to hog production:
 - a. Cost of production of hogs,
 - Unit cost requirements 100# pork,
 - Men in audience give feed prices, cost in comparative areas,
 - b. Corn and hog ratio -
 - Ratio usually does not stay above or below normal over 2½ years,
 - c. Present and future prospects for corn.
3. Present prospects for hogs:
 - Men give pigs raised spring of 1923-24,
 - Pig survey results, June, 1924,
 - Men give number sows to farrow, fall 1923-24 and pigs raised,
 - State forecast,
 - U. S. forecast.
4. Foreign situation:
 - 20% normally exported,
 - Export demand -
 - Denmark has overproduced and now reduced 6½% this year,
 - Germany shows 50% increase over 1923, now within 20% of pre-war.

5. Accuracy of Government reports or forecasts:

- a. Winter wheat - May estimate has been 100.9% of 11-year average,
- b. Corn - August estimate 98.5% accurate. Twice over 10% wrong,
- c. Pig survey - 1923 spring crop indicated $2\frac{1}{2}$ million hogs - actual marketings 2-6/10 millions,
- d. Uses to farmer.

6. Conclusions:

Points indicating a down-turn in prices -

- a. Return of Germany, our second largest market, to nearly normal production,
- b. The world economic situation which, because we are a heavy creditor nation, discourages exports to Europe particularly.

Points indicating an up-turn in prices -

- a. Hog prices are low as compared to other farm products and have been low for over three years,
- b. The Government pig survey indicated a reduction of pigs raised last spring and sows bred for this fall,
- c. The corn-hog ratio has been unfavorable for feeding since January, 1923. This is a longer than normal period.
- d. The law of averages would indicate a good corn crop for 1925, which would probably make hog feeding again profitable,
- e. Present indications now forecast renewed business prosperity which normally increases per capita consumption of meats.

THE AGRICULTURAL OUTLOOK FOR 1925

Summary

The general outlook for American agriculture is fairly encouraging this year as compared with recent years. General business activity will maintain the domestic demand for the 1924 farm products still to be marketed, though there may be a slackening in domestic demand next winter. Stocks of most products do not seem likely to burden the marketing of the new crop. The foreign market for most American farm products promises to be at least as good as during the past year. Ample credit for farming purposes seems likely to be available on more favorable terms. Though the present tendency in industry points to stronger competition for farm labor in the spring and summer of 1925 than prevailed in 1924, little change in farm equipment and upkeep costs is to be expected.

For the United States as a whole, however, little change from the production program of 1924 is recommended. The high prices of wheat now prevailing can not be expected for the 1925 crop, if there is a normal world crop of wheat in 1925. An increase in the acreage of hard spring wheat is likely to result in production in excess of domestic demand and resulting lower prices. Slight increases in flax acreage, as an alternative to increased acreage of hard spring wheat may be made, but a large increase in flax is liable to result in a domestic supply in excess of current consumption requirements and much lower prices. A cotton crop as large as last year's should be absorbed at sustained prices. Present prices, therefore, should not discourage growers from planting an acreage as large as last year. The present high prices for corn do not warrant any increase in acreage of corn as the short crop of 1924 was due to weather conditions which are not often so unfavorable. On the other hand, a decrease in corn acreage does not seem advisable if the decrease is offset by increases in the usual alternative crops, oats, barley, or hay for sale. The shortage and consequent high price of corn has resulted in such heavy marketings of hogs and reductions of hogs on farms that high prices will prevail for the next 18 months. Increase in fall farrowings should prove profitable as a market for the new corn crop and as a means of supplying an insistent demand for pork. Consumption of dairy products is being supported by the general business prosperity, and educational advertising has resulted in some increase in per capita consumption of milk, but the number of dairy cows on farms is now so large that further expansion of the dairy industry in 1925 does not seem desirable.

In short, producers of the major farm products should follow a program of balanced and economical production about the same as last year. In general, the higher prices realized for 1924 products were due to reduced production, here or abroad, rather than to any marked improvement in demand. Farmers should continue to devote available resources to the reduction of existing indebtedness rather than to general expansion of production which might result in another period of low returns to farming.

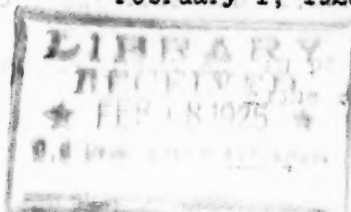
In making plans for 1925, farmers in each section should consider the outlook for all the commodities that they produce or can produce. Though in general marked shifts in production do not seem advisable, yet each farmer may, possibly, add to his net income for the year by modifying the acreages of his crops or the numbers of his livestock in the light of the outlook for each of the products he can grow.

THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS,
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

February 1, 1925.



MIDWINTER

Midwinter means a lull over much of the country. The barns and feed lots are principal centers of activity. Through the North and East, the business of filling ice houses and getting out wood is going forward. The North is hidden under a 3,000-mile-wide blanket of snow, while down in the Gulf country, in the Southwest, and in California, men are fitting the land and even cultivating early crops -- reminders of the bigness and diversity of this country.

The general price level is now inclined to rise. Urban industry is increasing its activity. There still seems to be life in the building boom, and the railroads are continuing heavy buyers of materials. While this gives little promise of reduction in the prices of manufactured articles which farmers buy, it may offer some reassurance as to the market for farm products.

The surface developments which attract most present attention are in the grain markets. Wheat prices are doing what disregarded prophets said they would do. Just as a world surplus is a load that producers stagger under, so an actual world-wide shortage puts a stupendous pressure back of demand. Corn prices are the product of a similar situation, only it is domestic rather than world-wide. In neither case are present prices much index to conditions next fall.

The region now undergoing the most basic readjustment in production is the Corn Belt. A corn crop short by half a billion bushels and a reduction in last year's total pig crop of 19 per cent, with around 20 per cent still fewer sows to farrow this spring than last spring, make up an exceedingly drastic combination. It will show some decided effects before another year. The general tendency this spring will be to raise more corn and fewer pigs. But some far-sighted men who are favorably situated will be doing the opposite.

KEY REGIONS AT A GLANCE

THE EAST - For the most part, in the grip of winter and busy with ice harvest, wood cutting, and the routine of barn work. Prices of potatoes have advanced slightly and cabbage markedly. General movement to market is very slack due to bad roads and weather. Some interesting developments are evident in the dairy situation, with apparently promise of improvement rather than otherwise.

THE SOUTH - Had a very rainy month, with devastating floods in Georgia and portions of the southeast. Some damage to winter truck from cold waves. Field work going forward where land has dried out sufficiently, but plowing is generally backward. Cotton crop now practically all ginned and counted - running 13-1/3 million bales total crop.

CORN BELT Experiencing alternate cold, thaws, and snowstorms. Barns and feed lots are the centers of activity. Reported about 18 per cent fewer cattle and 4 per cent fewer sheep and lambs on feed than last year. Winter grains have had to contend with some severe temperatures and ice storms.

WHEAT BELT - Grain getting the usual winter exposure to freezing and thaws. Ice sheet in Missouri finally relieved by thaws and snow. Wheat is dormant north of Oklahoma and it remains to be seen how greatly the freezes have damaged those areas not snow covered. Practically certain that many fields will have to be reseeded in the far northwest.

RANGE COUNTRY - Thaws toward the close of last month opened considerable range through the northwest, but feeding is necessary in many areas throughout the mountain territory. The sheep ranges in northeastern Nevada are under heavy snows but conditions are more favorable in Idaho. Lambing is in progress in the south and begun in north. The general livestock situation is difficult on the range end.

PACIFIC COAST - Field work is going forward for early crops. Grain and truck crops doing well, though California still needs soaking rains. Pruning is the order of the day in deciduous orchards. Citrus fruit developing well in the south; almond buds opening; sugar beets being planted; Cantaloupes have already been planted in the Imperial Valley.

TREND OF LIVESTOCK PRODUCTION

Horses have been slowly decreasing in number for several years. Milk cows increased slightly last year; other cattle decreased slightly; sheep increased slightly; swine decreased most of all.

The following shows the number of farm animals on January 1 of each year, figures in terms of thousands (000 omitted:)

	1920	1921	1922	1923	1924	1925
Horses	19,766	19,208	19,056	18,627	18,059	17,589
Mules	5,427	5,455	5,467	5,485	5,446	5,411
Milk cows	23,722	23,594	24,082	24,437	24,786	25,319
Other cattle	43,398	41,993	41,977	42,803	41,720	39,609
Sheep	39,025	37,452	36,327	37,223	38,300	39,134
Swine	59,344	56,097	58,327	68,427	66,130	54,234

MOVEMENT TO MARKET

Market movement of wheat slowed up in December from previous month but continued well above last year. Small corn movement reflecting the poor crop.

Hog movement reflects the corn shortage; broke the daily record in December. Cattle movement indicates continued liquidation. Butter somewhat below last year.

Receipts at primary markets, in terms of thousands:

	Wheat Th.bu.	Corn Th.bu.	Hogs Thousands	Cattle Thousands	Sheep Thousands	Butter Th. Lbs.
1923, Dec.	28,756	37,930	5,825	1,810	1,526	35,179
1924, "	33,076	29,239	6,604	2,083	1,605	33,471

EXPORT MOVEMENT

The 1924 story of exports revealed more cotton and much more wheat, but markedly less pork sold abroad than the previous year.

Exports in terms of millions (cotton in thousands:)

	Wheat, bu. inc. flour	Tobacco lbs.	Bacon, hams & Shoulders, lbs.	Lard lbs.	Total Meats, lbs.	Cotton run. bales
1923 Dec.	13	49	76	99	90	846
1924 "	24	44	34	77	43	1,076
1923 12 mos.	172	474	829	1,035	958	5,279
1924 " "	238	546	638	944	730	6,796

COLD STORAGE SITUATION

Summing up the cold storage situation in few words, the country drew, as usual, upon its stored supplies of butter and eggs during December, but a vast quantity of cheap pork was put into the cellars.

Compared with the average situation this date, stocks are very low in case of lamb, rather low on beef, average on eggs and apples, high in case of butter, cheese, poultry, pork and lard.

Perhaps the most significant thing in the storage situation is the heavy in-movement of pork products - indicating that the buyers have faith in a higher price level for pork by and by.

January 1 holdings in terms of millions:

	<u>5-Year Average</u>	<u>Month Ago.</u>	<u>January 1, 1925</u>
Creamery butter, lbs.	44	101	66
Case eggs, cases	1	3	1
Total beef, lbs.	150	100	143
Total pork, lbs.	565	428	643
Total meats, lbs.	811	598	831
Apples, bbls.	3.4	3.7	3.2

PRICES AND PURCHASING POWER

The South and the West are favorably represented in this table by cotton, wheat, and wool. All are in positions of sufficient price advantage to presumably stimulate their production. The same is true of corn though the shortage of crop prevents the Corn Belt from realizing on the actual plane of purchasing power here indicated. Eggs are high as a seasonal movement. Meat animals still suffer serious disadvantage relative to the grains on which they are fed.

The general index of purchasing power of farm products (based upon the year 1913 as 100) fell one point in December, standing at 88. In other words, prices of non-agricultural commodities rose more during the month than did farm products.

BUSINESS SITUATION

There are no very spectacular developments in the business situation, one way or the other. Whether the recent boom in the stock market has foreshadowed a period of marked business activity this summer remains to be seen. The price level is rising. The trend in interest rates is likewise upward, though they are still relatively low. The weight of opinion seems to hold that the outlook is good for general production and trade and that urban industry will go through the fore part of the year, at least, under conditions of marked prosperity.

That view is evidently shared by the interests which buy agricultural products for forward consumption. The market for hogs, butter and certain other products going into storage has held up fairly well in the face of heavy supplies.